



Los Angeles County AUDIT COMMITTEE

Louisa Ollague, Chair
1st District
Brence Culp, Vice Chair
3rd District
Clinton Tatum
2nd District
Carl Gallucci
4th District
Angela Mazzie
5th District

MEETING MINUTES August 18, 2005

Chairperson Louisa Ollague called the meeting to order at 1:38 p.m. in Conference Room, 525, at the Kenneth Hahn Hall of Administration.

Committee Members Present

Louisa Ollague, First District
Clinton Tatum, Second District
Brence Culp, Third District
Carl Gallucci, Fourth District
Angela Mazzie, Fifth District

Others in Attendance

Maria Oms, Auditor-Controller
Mike Pirolo, Auditor-Controller
Jim Schneiderman, Auditor-Controller
Jack Skadsem, Auditor-Controller
Jesse Rodriguez, Executive Office
Anna Pembedjian, Board of Supervisors
Alice Walton, City News Service

Peter Papadakis, Board of Supervisors
Garen Khachian, Board of Supervisors

Approval of Minutes

On motion of Angela Mazzie, seconded by Brence Culp, the Committee unanimously approved the July 21, 2005 minutes.

Old Business

Sheriff Contract City Billing Practices – Final Phase I Report and Phase II Status Report:

Mike Pirolo reported the Auditor-Controller and Chief Administrative Office will address the Board of Supervisors with their final recommendations in September 2005. Maria Oms reported the letter has been drafted and is being reviewed by the CAO. Mr. Pirolo advised the CAO is continuing dialogue with the contract cities. **The Committee unanimously approved continuing this item to the September 15, 2005 meeting.**

Audit Transmittal Report TR 04-074 (FYE 06/30/03): Ms. Oms reported the State accepted the \$126,000 settlement for Fiscal Year 03-2003. Regarding another Community & Senior Services (CSS) matter, Ms. Oms reported that the California Department of Aging (CDA) audited CSS in May 2005 and identified \$8.75 million in questioned costs related to the Area Agency on Aging (AAA). Auditor staff has been working with CSS, contractors and contractors' public accountants and the questioned costs have been reduced to \$1.8 million. The Auditor expects this number to be lower or close to \$500,000. Jack Skadsem reported CDA will be sending a letter. **On motion of Louisa Ollague, seconded by Brence Culp, the Committee unanimously approved receiving and filing this report and requested the Auditor-Controller provide a report of all CSS outstanding liabilities by program.**

Expansion of Countywide Contract Monitoring Project to Include Department of Health Services Contracts (Board Agenda Item #5.4, June 21, 2004): Auditor-Controller's proposed work plan to improve DHS' current contract monitoring efforts of the Office of Aids Programs and Policy (OAPP) contractors requires five additional staff members. The annual cost of these additional resources (\$650,000) is currently unavailable in the Auditor-Controller's 2005-06 budget and would need to be allocated to perform the monitoring. Once the funding is approved, the amount will be billed back to DHS without additional net County cost to the Auditor-Controller's budget.

On motion of Clinton Tatum, seconded by Angela Mazzie, the Committee unanimously approved receiving and filing this report.

Reports to be Received and Filed

Sunset Review of Board Policy No. 9.180 – Management Salaries on Appointment, Promotion or Voluntary Demotion: **On motion of Clinton Tatum, seconded by Angela Mazzie, the Committee unanimously approved extending the Sunset Review Date to September 15, 2008**

Monthly Evaluation of Refugio Para Niños' Compliance with its Corrective Action Plan - 2nd Status Report: Agency continues to comply with its Corrective Action Plan (CAP) requirement and has discontinued the practice of expending FFA funds for fundraising activities/Multicultural Counseling Center. Further, Agency is making its required monthly payments (\$6,505) to DCFS on/ahead of schedule. **On motion of Angela Mazzie, seconded by Brence Culp, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Penny Lane Main Facility, Satellite I, Satellite II, Satellite III, Satellite IV, Satellite V, Satellite VI, Satellite VII, and Satellite VIII: Agency is providing the services outlined in their Program Statement. However, the Main Facility Group Home needs to assess children for needed services within thirty days of placement and include the development of children's living, self-help, and survival skills in the daily program. **On motion of Angela Mazzie, seconded by Brence Culp, the Committee unanimously approved receiving and filing this report.**

Sunset Review of Board Policy No. 5.050 Contractor's Use of Gain/Grow Participants: **On motion of Angela Mazzie, seconded by Clinton Tatum, the Committee unanimously approved extending the Sunset Review Date to September 20, 2009**

Group Home Program Monitoring Report – Alannah Homes, Rainbow Ridge Home and Val Vista Group Homes: Review determined Agency is providing the services as outlined in their Program Statement. All homes were well-maintained, staffed, and in full compliance with County regulations. **On motion of Angela Mazzie, seconded by Brence Culp, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Aviva Family and Children Services – Aviva Center Aviva Graduate House: Agency is providing the services as outlined in their Program Statement, however, each Group Home needs to provide children with the required weekly minimum allowance. **On motion of Angela Mazzie, seconded by Brence Culp, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Heritage Group Homes, Inc., La Verne, Phillips Ranch, Valinda and Whittier Sites: Overall, Agency is providing the services as outlined in their Program Statement, however, various areas of deficiency need improvement. Each Group Home needs to maintain specific and measurable Needs and Services Plans (NSPs) and make minor repairs to its facilities. Auditor-Controller has received the Agency's corrective action plan and improvements have been implemented. **On motion of Angela Mazzie, seconded by Brence Culp, the Committee unanimously approved receiving and filing this report.**

Sunset Review of Board Policy No. 4.020 – Administrative Policy on Takeover of Internally Provided Services: **On motion of Clinton Tatum, seconded by Angela Mazzie, the Committee unanimously approved extending the Sunset Review Date to July 2, 2009**

Reports Received

Counseling4Kids Contract Review: Review determined the documentation used to support the billings lacked the specific service provided by staff to assist the client in achieving their goal(s); the improperly documented billings totaled \$5,894. Ms. Oms reported the monies owed have been paid. **On motion of Clinton Tatum, seconded by Brence Culp, the Committee unanimously approved receiving and filing this report.**

Audit of the Sheriff's Department Contract with the AMER-I-CAN Foundation: The Compliance Audit performed by Conrad and Associates, LLP, revealed material findings indicating the contractor was not following the program requirements outlined in their County contract. Mr. Pirolo reported the training time records and required number of instructors were undocumented and the effectiveness as to whether the AMER-I-CAN Foundation program actually reduced jail disturbances by 40% was undetermined. Ms. Oms advised the contractor has been terminated and County Counsel is attempting to retrieve money. **On motion of Clinton Tatum, seconded by Angela Mazzie, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Phoenix House Orange County Group Home: Agency needs to provide children with sufficient recreational activities; maintain current court authorizations of children taking psychotropic medications; provide children with required minimum allowance; and encourage children to create/update life books and photo albums. **On motion of Clinton Tatum, seconded by Brence Culp, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Fred Jefferson Memorial Home for Boys, Denker House and Compton House: Agency is providing the services as outlined in their County contract, however, various areas of improvement are needed. Strengthening of oversight controls and implementation of increased administrative awareness in each Group Home will ensure children's overall well-being. **On motion of Clinton Tatum, seconded by Brence Culp, the Committee unanimously approved receiving and filing this report.**

Public Comments

There were none

Other Business

FFAs and Group Home Monitoring: Ms. Oms reported Auditor-Controller's Contract Monitoring Group is performing a risk assessment to determine the degree of contract monitoring currently performed by DCFS on all of their contracts/programs. Ms. Oms indicated that there are twelve contracted programs with amounts over \$1 million each which total approximately \$410 million. About 80% are FFA/Group Home related. The remaining 20% are monitored on a limited basis or not monitored at all. Auditor-Controller will meet with DCFS representatives next week and report back to the Committee at the September 15, 2005 meeting. **The Committee unanimously approved continuing this item to the September 15, 2005 meeting.**

Discussion concerning vendor business at the Hahn Hall of Administration: Louisa Ollague inquired as to whether the vendor merchandise may be a safety hazard during a building emergency. Jesse Rodriguez explained no formal policy exists regarding vendors conduct/business at the Hall. The request is handled in the Executive office and each Department along with its own Charitable Coordinator contacts Building Management; the event is calendared accordingly. Brence Culp asked if vendors are in compliance with Fire Codes/Regulations. Mr. Rodriguez will contact the Los Angeles County Fire Department to verify vendor compliance of Fire Code Regulations. In response to Brence Culp, Mr. Rodriguez advised all vendors are briefed and a walk-through is performed addressing expected vendor conduct in the building.

Angela Mazzie suggested holding a monthly 'fair' for vendors outside in the County Mall area instead of having vendors selling their merchandise inside the building every week. Mr. Rodriguez stated County Departments and vendors are resistant to expose merchandise to outdoor weather conditions. Brence Culp asked for an estimated percentage of the charitable proceeds. Mr. Rodriguez reported 5 to 10% of sales is usually paid to the departments as charitable collections. However, each County department agrees with the vendor on the percentage collection which will be designated as charitable collections. This percentage is determined on a case-by-case basis. **The Committee unanimously approved and requested the Building Manager of the Executive Office to report back to the Committee in 60 days recommending a policy regarding vendor business at the Hahn Hall of Administration including addressing the safety, signage, and the percentage of proceeds to each Department.**

Matters not on the Posted Agenda (to be Presented and Placed on the Agenda of a Future Meeting)

There were none.

Adjournment

There being no further business to conduct, the meeting was adjourned at 2:12 p.m.